

# NEWS RELEASE

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## **Two Danville Area Businessmen Charged with Tax Fraud Conspiracy**

### ***\$16 Million Concealed for Alleged Tax Loss of \$6 Million***

Urbana, IL - A federal grand jury today returned a superseding indictment charging two Danville, Illinois area businessmen with conspiracy to defraud the Internal Revenue Service, as announced by Rodger A. Heaton, United States Attorney for the Central District of Illinois. According to court documents, Joseph R. Starns, age 55, of Ridge Farm, and Brian K. Wasson, age 44, of Danville, Illinois were charged with conspiring to market and sell sham trusts and financial packages to taxpayers resulting in a tax loss to the United States of as much as \$6,000,000.

The indictment alleges that Starns and Wasson established a business in 1997 known as Midwest Alternative Planning, located in Danville, Illinois. Each defendant was a representative of a Palos Hills, Illinois company known as the Aegis Company. Beginning as early as fall 1994, or before, and continuing to at least April 2003, the two men used their business to promote the fraudulent tax scheme of the Aegis Company. The indictment alleges the two marketed and sold sham trusts and business packages to taxpayers to shelter income from the IRS. As part of the conspiracy, the indictment alleges the defendants charged taxpayers substantial fees for trust packages and ongoing advice and counsel on the use of the trusts to fraudulently conceal assets and income from the IRS and reduce or eliminate the respective taxpayer's income tax liability. The fees ranged from approximately \$6,000 to \$62,000 for the trust packages and from \$3,000 to \$14,000 for the consulting services.

The indictment alleges that the defendants assisted at least 12 taxpayers in using the Aegis trust system to fraudulently conceal approximately \$16 million dollars in income from the IRS, resulting in a tax loss to the United States of as much as \$6,000,000 and fees and commissions to Aegis and the defendants of more than \$350,000.

In addition to the conspiracy charge, the indictment also charges Starns and Wasson each with six counts of assisting and advising in the preparation and presentation of false federal income tax returns to the IRS.

Starns and Wasson will be issued summonses to appear in federal court in Urbana, Illinois, at a date to be determined by the U.S. Clerk of the Court.

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If convicted, the offense of conspiracy to defraud the IRS carries a possible penalty of up to five years in prison and a fine of up to \$250,000. Each count of aiding and abetting the filing of a false and fraudulent tax return carries a penalty of up to 3 years in prison and a fine of up to \$250,000.

Members of the public are reminded that an indictment is merely an accusation; the defendants are presumed innocent unless proven guilty.

The charges are the result of an investigation by the Criminal Investigation Division of the Internal Revenue Service. The case is being prosecuted by Timothy A. Bass, Assistant U.S. Attorney.

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